March 16, 2010

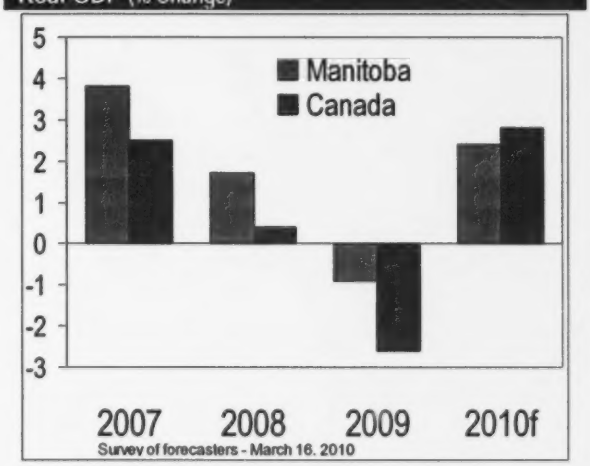
Manitoba Economic Highlights

Economic Overview

Real Gross Domestic Product

- The Manitoba Bureau of Statistics estimates that Manitoba's real GDP contracted by 0.9% in 2009 while Statistics Canada estimates that the Canadian economic shrank by 2.6%.
- While data is not yet available for all provinces for 2009; Manitoba and PEI are forecast to outperform all other provinces.
- In 2010, the Manitoba economy is forecast to grow 2.4% below Canada's 2.8% growth.
- In 2011, the Manitoba economy is forecast to grow 3.0% slightly below Canada's growth of 3.2%.

Real GDP (% Change)



Consumer Price Index

- In January 2010, the Manitoba CPI increased 1.7% compared to the 1.9% national increase. Energy (7.3%) has the largest increase while shelter declined 1.4%.
- In 2009, the Manitoba CPI increased 0.6% compared to the 0.3% national increase. Food (5.3%) has the largest increase while energy declined 11.4%.

- Manitoba's real GDP growth contracted 0.9% in 2009 substantially better than the 2.6% decline for Canada.
- Manitoba real GDP growth exceeded Canadian growth from 2006 to 2008 and, with PEI, is forecast to outperform all other provinces in 2009.
- Manitoba's population increased by 17,085 in the year ending October 1, 2009, the best performance since at least 1972.
- Manitoba outperformed the national economy in virtually all of the major economic indicators in 2009.
- In 2009, Manitoba had the second lowest unemployment and youth unemployment rate.

Labour Market

Employment

- In the first two months of 2010, Manitoba's employment increased by 5,300 compared to a national increase of 35,900. Manitoba's full-time employment decreased by 700 while part-time increased 6,100.
- In 2009 Manitoba's employment increased by 200 compared to a national decrease of 276,900. Manitoba's full-time employment increased by 300 while part-time decreased 100.

Employment (% Change)

	2009	2010ytd
Manitoba		
Total Employment	0.0	0.9
Full-Time	0.1	(0.2)
Part-Time	(0.1)	5.3
Canada		
Total Employment	(1.6)	0.2

Note: Changes are calculated relative to the corresponding period in the previous year.

Unemployment Rate

- In the two months of 2010, Manitoba's unemployment rate was 5.4%, second lowest behind Saskatchewan. The youth unemployment rate was 10.4%, also second lowest in Canada.
- Historically, Manitoba's unemployment rate has averaged 2 to 2.5 percentage points below Canada. In 2009, this spread increased to 3.1 points.
- From 1998 to 2009, Manitoba had the lowest annual unemployment rate among provinces five times, and the second-lowest rate five times.

Average Weekly Earnings

- In 2009, average weekly earnings in Manitoba were up 2.8%, above Canada's increase of 1.6%.
- In 2008, average weekly earnings were up 2.7%, below the 2.8% increase nationally and tied for fifth highest among provinces.

Population

- As of October 1, 2009, Manitoba's population stood at 1,226,196, a one-year increase of 17,085 persons. This 1.4% increase was fourth best among provinces.
- The official population for a calendar year is based on July 1st which for Manitoba was 1,221,964, an increase of 1.3%
- The most significant factor driving Manitoba's population growth is the Provincial Nominee Program. Since it began immigrants entering Manitoba under PNP has steadily increased. In 2008, 11,221 immigrated to Manitoba the highest level since 1957

Net Migration

- In the year ending October 1, 2009, 11,714 more people moved to Manitoba than left.
- During the same period, net international in-migration totaled 12,452, more than the net inter-provincial out-migration of 738. This is the smallest out-migration since 1984.

Economic Activity

Manufacturing Sales

- In 2009, Manitoba manufacturing sales decreased 11.0% to $14.6 billion. Canadian sales declined 17.3%. Manitoba's performance exceeded the national average for the ninth consecutive year.
- In 2009, three Manitoba industries increased sales led by electrical appliances (14.4%) and machinery (1.2%) while eleven industries declined with primary metals, printing, wood and paper industries leading the losses.
- In the first month of 2010, Manitoba manufacturing sales declined 9.4% compared to an 8.6% national increase. Primary metals recorded its first year-over-year increase since October 2008.

Industries with Strongest Growth in the Value of Manufacturing Sales (% Change)

	2008	2009
Elec. Appliances.	7.7	14.4
Machinery	29.7	1.2
Petroleum & Coal	30.8	0.3

Farm Cash Receipts

- **Note: at this time Statistics Canada is not planning on releasing the 2009 fourth quarter farm cash receipts data until May, 2010.**
- In the three quarters of 2009, Manitoba cash receipts are unchanged at $3.6 billion.
- Crop receipts increased 2.7% led by vegetables (13.7%) and oilseeds (9.5%). Livestock receipts are up 1.6% on the strength of an 11.5% increase in hog receipts. Direct payments have declined 27.7%.
- Preliminary estimates by the Manitoba Bureau of Statistics indicate that Manitoba

Note: Changes are calculated relative to the corresponding period in the previous year.

cash receipts increased 3.8% in 2009 to $4.9 billion.

- MBS estimates that crop receipts are up 1.4% with weakness in wheat and canola offset by gains in other crops. Livestock receipts are estimated to have risen 0.4 with weakness in cattle offset by strength in hog receipts. Direct payments are estimated to have risen 39.3%

Farm Cash Receipts (% Change)	2008	2009
Canola	35.9	(8.7)
Wheat	29.0	(5.7)
Hogs	(13.5)	9.4
Cattle	3.4	(9.0)

- Agricultural diversification has altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts but by 2009 only 15.8%. The largest source of receipts was canola (18.6%) followed by wheat, hogs (15.4%) and cattle (9.6%).

Retail Sales

- In 2009, Manitoba retail sales declined 0.9% better than the 3.0% decline in Canada.
- The decline in 2009 retail sales is led by declines in gasoline (-10.7%), motor vehicle dealer (-6.8%) and furniture and electronics (-6.3%) sales. Pharmacies (9.0%), other stores (8.6%) and department stores (5.2%) have the largest increases.
- In 2008, Manitoba retail sales increased 7.2% above the 3.4% increase in Canada and third highest among provinces.

Investment

- Statistics Canada's Private and Public Investment Survey from February 2010 shows that Manitoba's 2009 capital investment increased 4.0%, second highest among provinces. Manitoba was one of only four provinces to have an increase in investment in 2009. Investment in Canada declined 11.4%.
- The Survey shows that Manitoba's private investment decreased 8.7% less than half the national decline of 17.6%. In 2009, private capital investment accounts for approximately 63% of capital investment in Manitoba.
- Manitoba's public investment increased 36.1%, second highest among the provinces and significantly above the 13.4% increase in Canada.
- A number of major investment projects were underway in 2009, including the Winnipeg Floodway expansion, the Wuskwatim hydro-electric dam, the Keystone Pipeline and a new airport facility.
- In 2010, capital investment is projected to decrease 1.1% below the Canadian increase of 4.4%. Manitoba's private investment is projected to decrease 7.8% and public investment to increase 10.3%.

Housing Starts

- In 2009, Manitoba housing starts declined to 4,174 units, a 24.6% decrease and better than the 29.4% national decline.
- In 2009, Manitoba single starts are down 17.6% while multiples have declined 27.9%.
- The 4,174 housing starts in Manitoba in 2009 is the lowest level since 2003 but is still better than any other year since 1988. Housing starts in Canada declined 29.4% with single-detached starts decreasing 18.8% while multiple starts were down 37.7%.
- In the first two months of 2010, Manitoba urban housing starts increased 91% while Canadian starts were up 59%. Manitoba single starts rose 5.9% while increased to 298 from 59 in 2009.

Housing Starts (All Areas) (% Change)	Manitoba	Canada
2006	6.3	0.8
2007	14.1	0.4
2008	(3.5)	(7.6)
2009	(24.6)	(29.4)

Note: Changes are calculated relative to the corresponding period in the previous year.

Building Permits

- In January 2010, the value of Manitoba building permits increased 7.1%. Permits in Canada were up 25.1%.
- The value of Manitoba residential permits has increased by 64.3% while non-residential permits declined 45.7%. The non-residential decline was across all three categories
- The value of permits in Winnipeg rose 2.1%% while outside of Winnipeg they increased 17.0%.
- In 2009, the value of building permits in Manitoba decreased 4.6%. Non-residential permits were up 16.1% while residential permits decreased 14.7%. Canada permits were down 13.3%.

Bankruptcies

- In 2009, business bankruptcies decreased 36.9% in Manitoba, and declined 12.1% in Canada.
- In 2009, consumer bankruptcies increased 20.6% in Manitoba, and were up 28.4% in Canada.
- In 2008, business bankruptcies increased 1.0% in Manitoba, and declined 2.0% in Canada. Consumer bankruptcies decreased 0.8% in Manitoba and increased 13.5% in Canada.

Foreign Merchandise Exports

- In 2009, Manitoba exports decreased 17.8%, while Canadian exports were down 26.8%.
- In 2009, Manitoba's U.S. exports decreased 18.9% while non-U.S. exports were down 15.5%.
- In 2008, Manitoba exports increased 6.4%, while Canadian exports were up 8.4%. In 2008, Manitoba's U.S. exports increased 6.7% while non-U.S. exports were up 5.7%.

Foreign Merchandise Exports
(% Change)

	2008	2009
All Countries	6.4	(17.8)
U.S.	6.7	(18.9)
Non-U.S.	5.8	(15.5)

Electricity Sales

- In January 2010, the value of electricity sales declined; mild weather conditions contributed to a decline in domestic sales which were partially offset by increased export sales to the U.S.
- In 2009, the value of Manitoba electricity sales declined. Domestic sales increased while exports were down.
- Approximately 80% of export sales are to the United States with the balance to other Canadian provinces. Export sales to the U.S. are priced in $US; consequentially the decline was substantially influenced by the rising Canadian dollar.

Manitoba Finance

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Please click on **economic statistics** to view the data underlying this report.
Note: The 2009 Mid-Year Report is available at: www.gov.mb.ca/finance/pdf/quarterlyreports/economic_performance_dec_09.pdf

Note: Changes are calculated relative to the corresponding period in the previous year.

Table 1: Economic Indicators — March 16, 2010

	2005	2006	2007	2008	2009	2010 (ytd)		
			($ Millions)					
Gross Domestic Product								
Nominal	41,512	44,957	48,727	50,324	50,200	52,208	f	(annual)
Real (2002=100)	38,603	39,880	41,394	42,079	41,685	42,685	f	(annual)
Investment								
Total	6,836	7,837	8,903	10,008	10,410	10,297	i	(annual)
Private	5,091	5,811	6,267	7,166	6,542	6,032	i	(annual)
Public	1,745	2,027	2,635	2,842	3,867	4,266	i	(annual)
Non-residential	5,201	6,042	6,803	7,698	8,080	7,962	i	(annual)
Housing	1,635	1,796	2,099	2,310	2,330	2,335	i	(annual)
Sectors								
Farm Cash Receipts	3,801	3,672	4,339	4,766	4,948			(annual)
Crops	1,294	1,271	2,199	2,743	2,781			(annual)
Livestock	1,809	1,780	1,727	1,673	1,679			(annual)
Direct Payments	699	322	413	350	488			(annual)
Manufacturing	13,688	14,862	16,168	16,378	14,581	1,067		(Jan)
Mineral Production	1,576	2,619	3,070	2,528	1,943			(annual)
Electric Power Sales	1,797	1,697	1,667	1,737	1,560	156		(Jan)
Housing Starts All Areas (Units)	4,731	5,028	5,738	5,537	4,174			(annual)
Retail Trade	12,381	12,870	14,008	15,017	14,878			(annual)
Foreign Merchandise Exports								
Total	9,301	10,195	12,196	12,973	10,664			(annual)
US	6,973	7,671	8,348	8,906	7,225			(annual)
Labour Market								
Labour Force (000s)	609.4	613.5	623.9	633.0	640.2	646.9		(Feb)
Employment (000s)	580.3	587.0	596.5	606.7	606.9	611.9		(Feb)
Participation Rate (%)	68.6	68.8	69.4	69.6	69.4	69.6		(Feb)
Unemployment Rate (%)	4.8	4.3	4.4	4.2	5.2	5.4		(Feb)
Youth Unemployment Rate (%)	9.7	8.8	9.0	9.0	10.2	10.4		(Feb)
Average Weekly Earnings ($)	671.11	690.55	731.21	750.82	771.77			(annual)
Consumer Price Index								
(2002=100)	106.6	108.7	110.9	113.4	114.1	114.5		(Jan)
Population								
July 1st estimates (in thousands)	1,178.3	1,184.0	1,193.9	1,206.1	1,222.0			

(ytd) - year to date

(f) - Data for 2005 to 2009 are from the Manitoba Bureau of Statistics; for 2010 are from the Survey of Economic Forecasters.

(i) - Based on Statistics Canada's Survey of Public & Private Investment intentions.

Table 2: Economic Indicators — March 16, 2010

	2005	2006	2007	2008	2009	2010 (ytd)	
		(% Change)					
Gross Domestic Product							
Nominal	5.1	8.3	8.4	3.3	(0.2)	4.0 f	(annual)
Real (2002=100)	2.8	3.3	3.8	1.7	(0.9)	2.4 f	(annual)
Investment							
Total	2.0	14.6	13.6	12.4	4.0	(1.1) i	(annual)
Private	0.2	14.1	7.9	14.3	(8.7)	(7.8) i	(annual)
Public	7.9	16.1	30.0	7.8	36.1	10.3 i	(annual)
Non-residential	0.4	16.2	12.6	13.2	5.0	(1.5) i	(annual)
Housing	7.8	9.8	16.9	10.0	0.9	0.2 i	(annual)
Sectors							
Farm Cash Receipts	(1.5)	(3.4)	18.2	9.8	9.8		(annual)
Crops	(28.6)	(1.7)	73.0	24.7	24.7		(annual)
Livestock	12.0	(1.6)	(2.9)	(3.2)	(3.2)		(annual)
Direct Payments	62.4	(11.0)	(33.6)	(15.1)	(15.1)		(annual)
Manufacturing	3.2	8.6	8.8	1.3	(11.0)	(9.4)	(Jan)
Mineral Production	12.1	66.1	17.3	(17.7)	(23.2)		(annual)
Electric Power Sales	25.2	(5.5)	(1.8)	4.2	(10.2)	(3.7)	(Jan)
Housing Starts All Areas	6.6	6.3	14.1	(3.5)	(24.6)		(annual)
Retail Trade	5.9	3.9	8.8	7.2	(0.9)		(annual)
Foreign Merchandise Exports							
Total	0.0	9.6	19.6	6.4	(17.8)		(annual)
USA	1.7	10.0	8.8	6.7	(18.9)		(annual)
Labour Market							
Labour Force	0.1	0.7	1.7	1.5	1.1	1.5	(Feb)
Employment	0.6	1.2	1.6	1.7	0.0	0.9	(Feb)
Average Weekly Earnings	4.6	2.9	5.9	2.7	2.8		(annual)
Consumer Price Index							
(2002=100)	2.7	2.0	2.0	2.3	0.6	1.7	(Jan)
Population							
July 1st estimates (in thousands)	0.4	0.5	0.8	1.0	1.3		

(ytd) - year to date

(f) - Data for 2005 to 2009 are from the Manitoba Bureau of Statistics; for 2010 are from the Survey of Economic Forecasters.

(i) - Based on Statistics Canada's Survey of Public & Private Investment intentions.